

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 12, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2128 (Mr. Charles B. Rangel of New York)

**Proponent name, location:** The Estee Lauder Companies  
New York, New York

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Cosmetic bags with a flexible outer surface of reinforced or laminated polyvinyl chloride (PVC) (as provided for in subheading 4202.12.20)

**Check one:**     ☒ Same as that in bill as introduced  
                     ☐ Different from that in bill as introduced (see Technical comments section)

**Product information, including uses/applications and source(s) of imports:**

The subject articles are small cosmetic pouches that are made of textile reinforced PVC. The subject items are used to hold women's cosmetics and are carried in purses or used for travel. They are sold at retail and drug stores. Such bags are also used as promotional items by cosmetic companies, which offer them as a gift with purchase, accompanied by product samples. The subject cosmetic bags are imported mainly from China and incur an NTR duty rate of 20 percent ad valorem.

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<sup>1</sup> Industry analyst preparing report: Andrea Boron (202-205-3433); Tariff Affairs contact: Jan Summers (202-205-3605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm)

**Estimated effect on customs revenue:**

<b>HTS subheading: 4202.12.20</b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	20%	20%	20%	20%	20%
Estimated value <i>dutiable</i> imports	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Customs revenue loss <u>1/</u>	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

1/ A temporary duty reduction of 5% would result in an estimated Customs' revenue loss of \$500,000 per annum at an ad valorem duty rate of 15%. Similarly, a temporary duty reduction of 7.5% would result in an estimated revenue loss of \$750,000 per annum at an ad valorem duty rate of 12.5%  
Source of estimated dutiable import data: Industry and Commission estimates.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Estee Lauder, Inc. (proponent) Ms. Nancy M. Loudon 212-572-3987	7/13/2005	No	No	No
Rep. Rangel's Office Ms. Julie Herwig 202-225-4021	7/13/2005	No	No	No
American Luggage Dealers Association Mr. Frank Fine 505-246-0087	7/14/2005	No	No	No
Sephora, USA Mr. Rod McFadden 415-284-3465	7/15/2005	No	No	No
American Comb Corporation Mr. Jim Gottlieb 973-523-0257	7/19/2005	No	No	No
C Group Ms. Susan Wells 212-977-7424 ext 3249	8/2/2005	No	No	No
Travel Goods Association Mr. Nate Herman 703-797-9062	8/1/2005	No	No	No

**Technical comments:**<sup>3</sup> None.

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<sup>3</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS  
1ST SESSION

# H. R. 2128

To suspend temporarily the duty on cosmetic bags with a flexible outer surface of reinforced or laminated polyvinyl chloride (PVC).

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IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2005

Mr. RANGEL introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To suspend temporarily the duty on cosmetic bags with a flexible outer surface of reinforced or laminated polyvinyl chloride (PVC).

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. COSMETIC BAGS WITH A FLEXIBLE OUTER SUR-**  
4                       **FACE OF REINFORCED OR LAMINATED POLY-**  
5                       **VINYL CHLORIDE (PVC).**

6       (a) IN GENERAL.—Subchapter II of chapter 99 of  
7       the Harmonized Tariff Schedule of the United States is  
8       amended by inserting in numerical sequence the following  
9       new heading:

“	9902.42.02	Cosmetic bags with a flexible outer surface of reinforced or laminated polyvinyl chloride (PVC) (provided for in subheading 4202.12.20) .....	Free	No change	No change	On or before 12/31/2009	”.
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1           (b) **EFFECTIVE DATE.**—The amendment made by  
 2 subsection (a) applies to goods entered, or withdrawn from  
 3 warehouse for consumption, on or after the 15th day after  
 4 the date of the enactment of this Act.

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